

School District Cash Reserve Levy

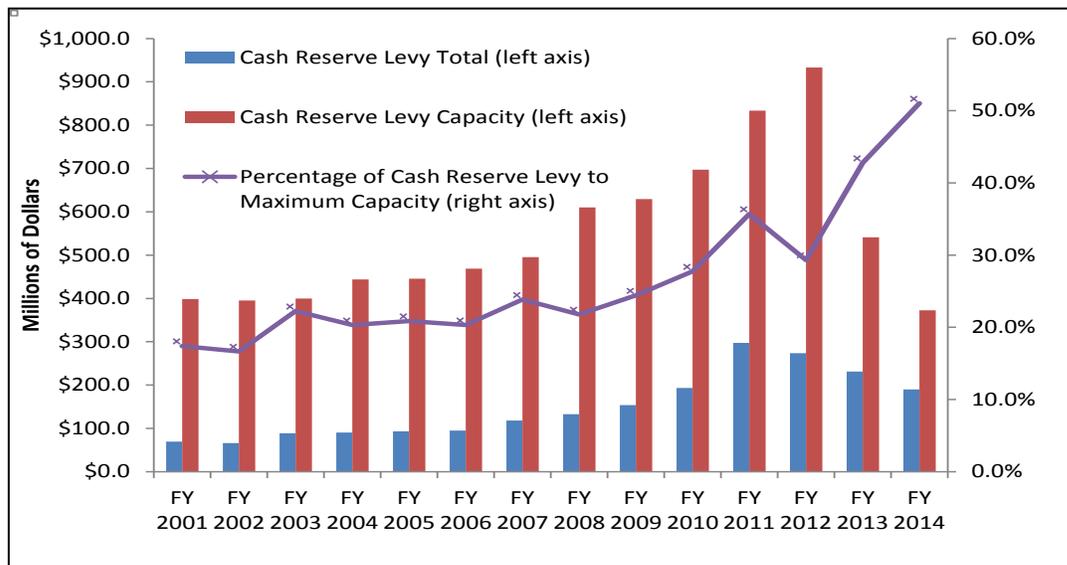
School districts are authorized to levy a cash reserve to maintain or raise an amount necessary for a cash reserve for the district's general fund. The amount levied for cash reserve does not increase a school district's spending authority. Additionally, district cash reserve levy amounts are reviewed annually by the School Budget Review Committee (SBRC) and are limited to no more than 20.0% of school district general fund expenditures less the unexpended ending fund balance for the year prior to the base year (specified in Iowa Code sections [257.31](#) and [298.10](#)).

Historic Cash Reserve Levy Amounts

Chart 1 provides the amount of cash reserve levied, the maximum cash reserve levy capacity, and the percentage of cash reserve levied compared to the capacity level. Items of note include:

- After reaching \$297.5 million in FY 2011, the cash reserve levy amount decreased for three consecutive years and totaled \$190.1 million in FY 2014.
- The cash reserve levy capacity has decreased substantially since the capacity calculation was lowered beginning with FY 2013. Prior to that change, the capacity level increased each year reaching \$932.8 million in FY 2012. The capacity level decreased to \$541.2 million in FY 2013 and \$372.5 million in FY 2014.
- In general, the percentage of cash reserve levied compared to the capacity amount has increased over the years. The rapid growth displayed in the past two fiscal years can be attributed to the significant reduction in the cash reserve capacity in FY 2012 and FY 2013.

Chart 1: Cash Reserve Levy Amounts FY 2001 – FY 2014



More Information

[School District Cash Reserve Levy – LSA Issue Review](#)

[School District Levy Data by District – Historical Documents](#)

[Iowa General Assembly](#)

LSA Staff Contact: Shawn Snyder (515-281-7799) shawn.snyder@legis.iowa.gov

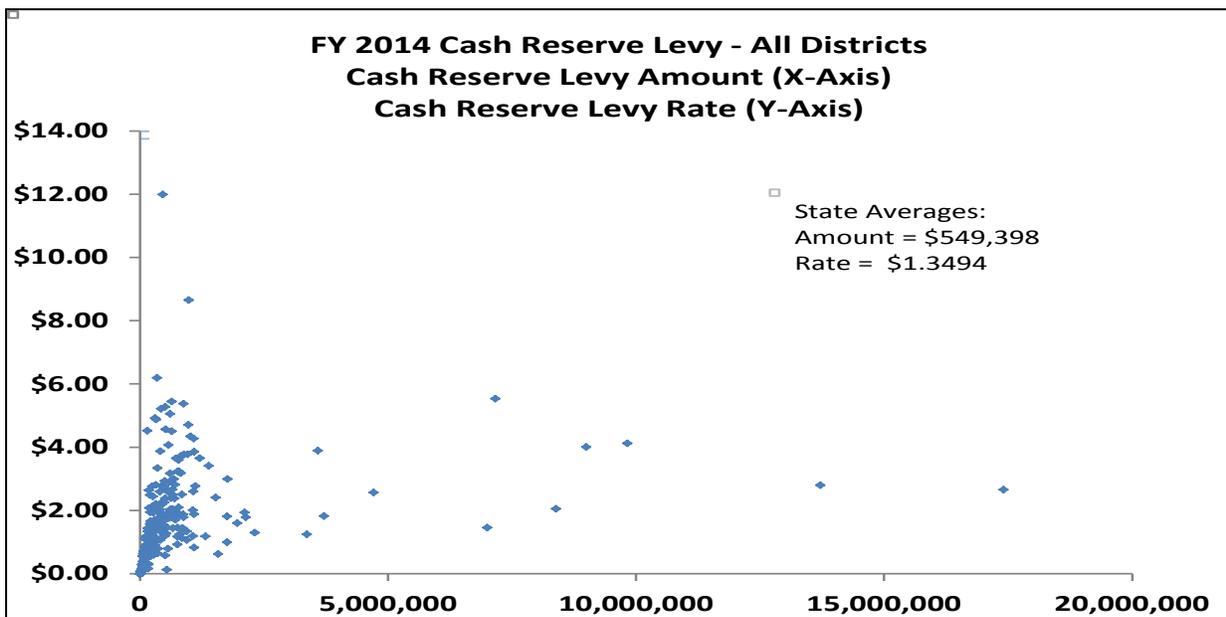
School District Cash Reserve Levy

FY 2014 Cash Reserve Levy Amounts

School districts levied a total of \$190.1 million for cash reserved in FY 2014 for an average cash reserve levy rate of \$1.34949 (note all tax levy rates are expressed per \$1,000 of taxable valuations). Statewide, the average cash reserve levy rate was about 9.2% of the total school district average levy rate of \$14.6923. **Chart 2** provides a scatter plot of the cash reserve levy amount compared to the cash reserve levy rate amount for each district in FY 2014. Items of note:

- Of the 346 districts, 222 (64.2%) levied for cash reserves while 124 (35.8%) did not levy for cash reserves (including seven that used fund balances to reduce their overall levy amount).
- Three districts had a cash reserve levy rate greater than \$6.00. Clearfield's rate was \$12.0009 (generating \$450,000), Farragut's rate was \$8.6608 (generating \$980,000), and Morning Sun's rate was \$6.1953 (generating \$337,000).
- Three districts had a cash reserve levy amount greater than \$9.0 million. Des Moines' cash reserve levy amount totaled \$17.4 million (with a levy rate of \$2.6547), Cedar Rapids' cash reserve levy amount totaled \$13.7 million (with a levy rate of \$2.8048), and Ankeny's cash reserve levy amount totaled \$9.8 million (with a levy rate of \$4.1259).

Chart 2 – FY 2014 Cash Reserve Levy Amounts and Rates for All Districts



FY 2014 Compared to FY 2013 Cash Reserve Levy Amounts

The amount levied for cash reserve in FY 2014 decreased from \$231.5 million in FY 2013 to \$190.1 million in FY 2014, a decrease of \$41.4 million. Additionally, the average cash reserve levy rate decreased from \$1.7085 in FY 2013 to \$1.3494 in FY 2014.

Chart 3 (on the following page) provides a scatter plot of the cash reserve levy amount and rate changes between FY 2013 and FY 2014. Items of note:

- Of the 346 districts, 198 (57.2%) had a decrease in the cash reserve levy amount, while 102 (29.5%) had an increase, and 46 (13.3%) had no change. Additionally, 216 districts (62.4%) had a decrease in the cash reserve levy rate, while 88 (25.4%) had an increase and 42 (12.1%) had no change.
- Four districts reduced the overall cash reserve levy by more than \$2.0 million in FY 2014. This included West Des Moines (\$-4.8 million), Dubuque (\$-2.2 million), Bettendorf (\$-2.1 million), and Council Bluffs (\$-2.0 million).
- Four districts increased the overall cash reserve levy by more than \$1.0 million in FY 2014. This included Cedar Rapids (\$4.6 million), Des Moines (\$2.3 million), Southeast Polk (\$1.0 million), and Johnston (\$1.0 million).
- Three districts reduced their cash reserve levy rate by more than \$4.00 in FY 2014. This includes Sigourney (\$-4.6456), Hamburg (\$-4.3910), and Valley (\$-4.016).
- Three districts increased their cash reserve levy rate by more than \$3.00 in FY 2014. This includes Sidney (\$5.4493), Farragut (\$3.6976), and Clearfield (\$3.1715).

Additional information pertaining to school district cash reserve levy amounts and rates is available from the Legislative Services Agency.

Chart 3 – FY 2014 Change in Cash Reserve Levy Amounts and Rates for All Districts

